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TAGS: [ECON](#) [EAGR](#) [ENRG](#) [EAID](#) [PGOV](#) [ER](#)  
SUBJECT: LIGHTS FOR ALL, BREAD FOR THE SELECT

Classified By: Ambassador Ronald K. McMullen for reason 1.4 (d).

¶1. (SBU) SUMMARY: The Government of the State of Eritrea (GSE) is investing its limited resources heavily in renewable energy, particularly solar and wind power, for the rural sector. At the same time, the rural sector is most heavily hit by shortages of staples such as wheat and flour, creating a potential paradox of electrified villages with no food. End Summary.

¶2. (C) Rising food prices remain a central concern in Eritrea. Though shortages of staples such as wheat, flour, and oil have become the norm (with Eritreans queuing up in bread lines around 5am each day), reports from local citizens indicate that shortages are becoming even more severe. Rural farmers are reportedly resorting to selling beasts of burden in order to buy food. One farmer purportedly sold his ox for 1,400 Nakfa (\$93). This money, in turn, was used to buy less than a month's worth of grain for his family.

¶3. (C) Although food security remains a critical problem in Eritrea, the GSE continues to reject collaboration with aid agencies and bilateral donors. At a regional trade union conference held in Asmara last week, the GSE's Minister of National Development reportedly went one step beyond Eritrea's normal spiel about the virtue of "self-reliance" for Eritrea to harangue the other African representatives to adopt similar policies. According to the World Bank (strictly protect) the GSE claims 80% self-sufficiency in grains. Nonetheless, most of the grain is commonly believed to be sent to the Eritrean-Ethiopian border to feed the massive army of 200,000 soldiers rather than distributed to the civilian populace. (Even at the border, this food most often goes reportedly to the generals rather than to the soldiers.) UNICEF reports that 40% of Eritrean children under 5 are either moderately or severely malnourished.

¶4. (SBU) Heavy collaboration with the Europeans exists, however, in the energy sector, according to the GSE's Ministry of Energy. PolOff met March 31 with the Director General of Energy, who emphasized the extensive partnership between the GSE and the European Commission (EC). The DG stated that the Ministry has electrified 40 rural villages, using solar power in the interior and wind power along the coast. Many of these projects are funded by the EC. The DG

also mentioned a long-term "energy trading" project in the Horn region focused on selling surplus energy to neighboring countries, also spearheaded by the EC.

¶15. (C) Comment: For a government that has actively minimized the presence of foreign assistance in the name of "self-reliance," the GSE is surprisingly cooperative with the EC in regards to energy security. The DG even commented on the "fair terms" presented by the EC's foreign aid packages, which require the GSE to purchase its solar panels and other equipment from EC-designated companies. Given the GSE's "let-them-eat-cake" attitude on food security, its policies present an interesting potential paradox in which rural villages will be fully electrified yet their residents unable to obtain bread.

¶16. While GSE friendliness towards foreign aid donors is a rarity, the government's attitude towards cooperation with the EC is not overly surprising given the Commission's conciliatory approach to the 2006 seizure of its donated food aid and soft-peddling of Eritrea's human rights abuses. The World Bank representative states that the Bank has not been asked to join the GSE in tackling rising food prices, and the UN World Food Program, which has been "frozen" in its work since the 2006 food seizure, expects to close its doors in June. End Comment.  
MCMULLEN